



GOVERNOR JOSH SHAPIRO

FOR IMMEDIATE RELEASE

Thursday, May 15, 2025

MEDIA CONTACT:

Governor's Press Office: ra-gvgovpress@pa.gov

Governor Shapiro Announces Plan to Protect Pennsylvanians' Health Care from Private Equity, Deliver New Support for Southeastern Pennsylvania in the Wake of the Crozer Closure

Following the closure of Crozer Health, Governor Shapiro and his Administration are taking bold action to hold private equity accountable, safeguard essential services, and support impacted workers in Delaware County.

The Governor joined health care workers and local leaders in Chester to call for passage of the Health System Protection Act and announced \$1 million to support EMS services in Delaware County.

The Shapiro Administration has also mobilized its Rapid Response team to assist more than 3,000 displaced Crozer workers and remains committed to holding bad actors like Prospect Medical Holdings accountable.



Chester, PA – Today, **Governor Josh Shapiro** visited Crozer-Chester Medical Center in Delaware County to highlight his Administration’s plan to protect Pennsylvanians’ access to health care by reforming the way private equity operates in the Commonwealth. The visit follows Prospect Medical Holdings’ closure of Crozer Health, which has left more than 3,000 health care workers out of work.

Standing alongside health care workers, local leaders, and affected community members, the Governor laid out his Administration’s work to support impacted workers, maintain essential emergency services, and hold private equity firms accountable. He also urged the General Assembly to pass the **Health System Protection Act** — newly-introduced legislation that would stop exploitative private equity practices and empower Pennsylvania’s Attorney General to block bad deals that threaten access to care. This legislation reflects the Governor’s call to reform the way private equity has infected our health care system during his [budget address](#).

Governor Shapiro also announced new action to support the region, including **\$1 million in new funding** in coordination with the Delaware County delegation, to maintain emergency medical services (EMS) in Delaware County — ensuring they remain available and responsive to the community's needs — and promised ongoing oversight by the **Pennsylvania Department of Health**, which is managing an orderly and safe wind-down of services.

“Private equity has no place in our health care system. We’ve seen what happens when corporate raiders like Prospect Medical Holdings prioritize profits over patients — families lose access to care, health care workers lose their jobs, and communities across the Commonwealth suffer,” said **Governor Shapiro**. “Private equity raided Crozer, lined their pockets, and gutted the system — leaving Chester residents and those living in the region without care, putting their lives at risk. We cannot allow for-profit companies to treat our hospitals like piggy banks they can smash and walk away from. We’ve taken action to help those affected — but to protect communities across our Commonwealth, we need to take real action and change the laws that allow private equity to raid our health care system and threaten Pennsylvanians’ livelihoods. It’s time to act and get this done.”

In 2016, Prospect Medical Holdings acquired Crozer Health for \$300 million and pledged to keep the system open for at least 10 years. But just nine years later, the company declared bankruptcy — after selling Crozer’s hospital properties to a real estate investment trust, burdening the system with over \$200 million in mortgage debt and failing to address \$150 million in pension obligations.

In the last three years, Prospect closed four hospitals in Delaware County, including Crozer-Chester Medical Center and Taylor Hospital most recently.

“This is a simple story about greed. Prospect Medical Holdings came to town, bought Crozer, broke our health care system, and paid themselves hundreds of millions of dollars to do it,” said **Dr. Monica Taylor, Chair of the Delaware County Council**. “Not long ago, 576,000 people once had six great hospitals to care for their families. Now they have just two. We strongly support Governor Shapiro — and our Delco delegation — as we reimagine our future and protect ourselves before private equity tears every fabric from the thread of our economy and the futures our residents in Delco — and every Pennsylvanian — deserve.”

For more than two years, the **Shapiro Administration** worked alongside the Office of Attorney General, state legislators, and local government to try to save Crozer — committing millions to support the system and its workforce while ensuring **no taxpayer dollars enriched Prospect**.

Over the past seven months, the Governor’s Office authorized more than **\$15.5 million** to keep Crozer’s doors open, which included **\$10 million** in advanced Medicaid funding to allow stakeholders time to negotiate a long-term solution. Most of this was contingent on a commitment from Prospect to maintain services through July 2025 — a promise the company broke when it declared bankruptcy in January 2025.

The result: Delaware County lost its primary trauma center and only burn unit, and — when all is said and done — more than 3,000 health care workers will be without a job. This isn't an isolated incident. In the last five years, at least 26 hospitals have closed in Pennsylvania, including four for-profit facilities in the past year.

"I saw the daily miracles made possible by the amazing staff who walked these halls," said **Dr. Max Cooper, who worked in Crozer's Emergency Room**. "I've seen hearts restarted, and gunshot victims resuscitated. This is a place where miracles have occurred, and where they should occur still. But Prospect Medical Holdings ran this hospital into the ground. The day after we closed our trauma unit, we had a young man shot just a block from where we stand today. And he died 20 minutes into his 30-minute drive to Lankenau Hospital. If Crozer were open, we could have saved him. We've saved others just like him countless times before. We must prevent the next Crozer, and we must not let private equity raid Pennsylvania's hospitals."

"Never did I think Crozer would feel so desolate. I knew the health system before Prospect came into our lives and created our nightmares. I can tell you, because I was here, we let the wolf in the door here in Delaware County, and we can never, ever do that again," said **Peggy Malone, President of Crozer-Chester Nurses Association**. "Governor Shapiro worked tirelessly behind the scenes to save our health system. The Pennsylvania Attorney General's office took bold actions on behalf of our health system. The Delaware County delegation and Delaware County Council worked hand in hand with us every step of the way to stop corporate looters. Still, our health system closed — because that was always Prospect's plan: to drain every last cent and every drop of blood from our health system before cutting and running back to California."

Reforming the Way Private Equity in Health Care Works in the Commonwealth

Governor Shapiro is calling on the General Assembly to pass the **Health System Protection Act**, introduced by Senator Tim Kearney and Representative Lisa Borowski. The Act is designed to protect our health care system — including hospitals, nursing homes and other health care facilities — from private equity bad actors who have pillaged our health care system and caused the shuttering of systems across the Commonwealth, and had negative impacts on care and services at others that remained open. The legislation would:

- **Ban sale-leaseback schemes** that drain hospital resources by forcing them to sell their own facilities and rent them back at inflated rates.
- **Empower the Office of Attorney General** to review and, when necessary, block or place conditions on sales involving health care institutions and for-profit buyers.

Twenty-four other states already give their attorney generals this authority. Pennsylvania should be next.

"Private equity is a cancer in our health system that is destroying our hospitals and driving up the prices of health services for all Pennsylvanians, all while giving us worse

service,” said **Senator Kearney**. “It’s time that we have tools to prevent private equity from abusing our healthcare system. With the Governor’s support, I’m confident the legislature will move forward on meaningful reforms, including legislation recently introduced by members of the Delaware County Legislative Delegation in both the House and Senate.”

“This is a pivotal moment for us as lawmakers elected by the people to represent their interest. How we choose to respond to the crisis private equity firms are inflicting in our healthcare system will speak volumes to Pennsylvanians about our courage to do what is right,” said **Representative Borowski**. “I’m grateful to Governor Shapiro for speaking up and leading the charge. And it is not just Delco residents who depend on us to step up. This is happening in communities across the Commonwealth, creating swath of barren health care deserts, and my good friend Gina Curry knows a lot about that. This is our moment to show Pennsylvanians we won’t relent until we’ve done everything it takes to protect their access to health care.”

“Prospect closed our hospitals, and we know this didn’t happen overnight,” said **Representative Leanne Krueger**. “My colleagues and I have been here on the front lines with these nurses and doctors and paramedics for years fighting Prospect. Prospect has been divesting in our health care system for years while pulling out every bit of profit they could. Rep. Borowski’s bill, which we did pass out of the House last session, is slated for a vote the first week of June when we go back to the Capitol. And this time, we will pass it through the House, our colleagues will pass it through the Senate, our Governor will sign it into law so that what happened here in Delaware County will never happen in Pennsylvania again.”

Emergency Action to Support Workers and Protect Pennsylvanian’s Access to Health Care

In response to the Crozer closure, the **Shapiro Administration** acted swiftly to support the community:

- **Allocating \$1 million in new EMS funding** to ensure emergency services continue in Delaware County.
- Mobilizing the **Pennsylvania Department of Labor & Industry’s Rapid Response Team** to provide early and ongoing support to impacted workers.
- **Hosting 10 live, virtual Rapid Response meetings** to offer resources on unemployment, job training, health insurance, and more.
- Partnering with Delaware County to host a job fair connecting **over 1,000 displaced Crozer employees with more than 200 employers**.
- Collaborating with Widener University to link **workforce development funding** with training for displaced workers.

Rebuilding a Stronger, Fairer Health Care System Across the Commonwealth

Governor Shapiro’s [2025–26 proposed budget](#) includes targeted investments to protect and expand access to health care across Pennsylvania:

- **\$10 million for rural hospitals**, leveraging \$25.1 million in federal matching funds.
- **\$5 million to expand the Primary Care Loan Repayment Program**, helping to attract providers to underserved communities with workforce shortages.
- **\$5 million to Pennsylvania's first Nurse Shortage Assistance Program**, offering student loan repayment to help train and retain the next generation of nurses.

Since taking office, the Governor has delivered **\$50 million** in emergency relief funding for hospitals, **\$2 million** for the Commonwealth's first registered nursing apprenticeships, and **streamlined licensing for medical professionals**, cutting doctor license processing times from 43 days to 5.

Read more about [Governor Shapiro's 2025-26 budget proposal](#). Explore the Governor's 2025-26 Budget in Brief [here](#), or visit shapirobudget.pa.gov to learn more.

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